Rs. 6·11 lakhs. The revenue transactions of the next year would bring in a surplus of Rs. 16·29 lakhs, which together with the current year's surplus of Rs. 13·66 lakhs would aggregate to Rs. 29·95 lakhs. Thus ordinarily there cannot be much difficulty to carry on the large programme of advance to the extent of Rs. 533 lakhs and the resort to overdraft account may not be necessary to any large extent as the year is expected to close with a cash balance of Rs. 69·87 lakhs.

CRANGANUR

The financial position of Cranganur continues to be bad. To maintain the efficiency of the administration and the standard of amenities of the people of a small principality with inelastic income on the same level as the larger State is really taxing. The budget estimate of expenditure is fixed at Rs. 2·63 lakhs, against a revenue of Rs. 2·03 lakhs. The unusual expenditure connected with Food supply measures is proposed to be met from the State itself and the usual contribution of Rs. 10,000 is also being made from the State towards establishment charges. In spite of the best efforts the estimates disclose a deficit of Rs. 34,150 in the revised estimate and of Rs. 60,100 in the budget estimate of 1119. The deficits of Cranganur are accumulating and the problem as to how to save the Principality from insolvency affording at the same time proper amenities to the people may have to be seriously considered at no distant date.

CONCLUSION

Sir, I have now covered the whole field of our finances and I have endeavoured to explain the various important features of the budget in as lucid a manner as possible leaving out the dry details. The several items of the budget have also undergone the searching scrutiny of the Standing Finance Committee and their valuable suggestions have been of immense help to the Government.

As I prefaced my speech this is no prosperity budget in spite of its surplus; it is only an inescapable budget, and we are conserving our balances, without sacrificing in any way the requirements of the present day, for meeting numerous inevitable obligations of the more critical years ahead following, the termination of the war. I cannot conclude better than with the cautious words of a great financier which strikes me as prophetic as it is practical. "After the War, when war demands will inevitably have greatly shrunken, if not have vanished entirely and when the question of securing and maintaining the level of employment will have become more urgent, there will be ample justification for increased spending and it will then be a valuable safeguard against falling prices. During the war itself there is an obvious alternative to private spending—an alternative, morever, which most powerfully assists the war effort and greatly reduces the risk attaching to the increase in the volume of purchasing power which I may add. is characteristic of the situation in every part of the world and not of the Indian position alone. That alternative is investment in loans....." The crux of the present problem which confronts States as equally as individuals is contained in the above passage and I would request the House to ponder over the problem deeply and thoughtfully when offering their valuable suggestions during the course of the discussion.

The House rose for the day at 4 p.m.

N. S. RADHAKRISHNA SARMA

Secretary to the Council

LIBRARY ARCHIVES Kerala Legislative Assembly